Tells the Facts and Names the Names

$2.50

CounterPunch

March 1 - 15, 2005 *Alexander Cockburn and Jeffrey St. Clair* VOL. 12, NO. 05

Our Little Secrets

DEMS AND DIVES

BY ALEXANDER COCKBURN

Last time we looked, here in CounterPunch, the Democrats had taken a dive on funding the war in Iraq, on tort suits against corporations, on the Chertoff nomination and on torture in general.

Now add to the list the defection of 18 Democratic senators to the Republicans, thus easing passage of the new bankruptcy bill which will pitch millions of Americans into lifetimes of debt peonage in the coming hard times. The banks and credit card companies have laid out millions in campaign contributions down the years to wipe Chapter 7 Bankruptcy off the statute book and now they've got their way.

You think the most abject and avoidable loss in recent political history (Kerry's defeat by GWB) has imparted any of the proper lessons, the prime one of which is that you don't tap into vast popular distaste for the war in Iraq by saying that you want to fight that war better than the other guy.

MoveOn.org, the site that launched a thousand articles on the political power of the web, and the potency of the site for Democrats, now declines to take any bold position on the war. As Norman Solomon describes MoveOn's posture: "With a network of more than 3 million 'online activists', the MoveOn leadership has decided against opposing the American occupation of Iraq. During the recent bloody months, none of MoveOn's action alerts have addressed what Americans can do to help get the U.S. military out of that country. Likewise, the MoveOn.org Web site has continued to bypass the issue … Over a pe-

(**OLS** *continued on page 2)*

News from Pentagon-Babylon

The Chenega Native's Big "Score"

BY JEFFREY ST. CLAIR

The new Department of Homeland Security, a collage of 22 sub-agencies sprawling across the federal bureaucracy, is sluicing billions into the coffers of a few favorite contractors and many of the deals have been awarded on the same no-bid basis that brought such amazing largesse to corporations doing business in Iraq and Afghanistan, such as Bechtel and Halliburton.

Over the past two years, about 30 per cent of the Department of Homeland Security's contracts have been awarded on a non-competitive, no-bid basis. These contracts amount to about $2.5 billion, for services ranging from computer systems to the maintenance of airport scanning devices.

One of the biggest of Department of Homeland Security contracts went an obscure company called Chenega Technology Services Corp, which is owned by Alaskan natives from the small village of Chenega. Chenega is a coastal village accessible only by floatplane. In July of 2002, the Customs Service asked Lockheed and Dyncorp to submit proposals for a $500 million project to upgrade and maintain the x-ray and gamma ray machines at the US's ports and border stations. But six months later the Customs Service issued a press release saying that the project would not be put up for competitive bidding. Instead, it was being awarded on a no-bid basis to Chenega Technology. The decision stunned executives at DynCorp, who figured they were front-runners for the deal. "I didn't even know how to spell their name," said Raymond Mintz, who had been hired by DynCorp to prepare its bid for the Customs contract.

Chenega officials may have been stunned as well. Their company had little experience with the high-tech scanning machines. In the end, Chenega contracted most of the actual work out to two other companies, SAIC, Inc. and American Science and Engineering Inc.

The deal was actually brokered by Senator Ted Stevens, the Alaska Republican, who inserted the deal into a legislative rider on the Defense Appropriations bill. Stevens chairs the mighty Senate Appropriations Committee.

Chenega, however, appears to be a native corporation in name only. Of its 2,300 employees, only 33 are Alaskan natives. The headquarters of the company is located not in Anchorage or Juneau, but in a shiny glass building in Alexandria, Virginia, just down the road from the Pentagon and Senator Stevens's office.

Through the legislative magic of Ted Stevens, Alaska Native Corporations arc gracefully through loopholes when it comes to federal contracts. For one thing, they can continue to maintain their small business status even when they are bringing in millions in revenue. This special dispensation allows them to be exempt from the $3 million federal cap on no-bid service contracts that are in place for other minority small businesses.

By another legislative quirk, Alaska Native Corporations, such as Chenega, don't even have to be run by Native Americans. Moreover, they can subcontract out most of the work to non-Native firms without having to undergo the cost-benefit analysis required for other corpo-

(**Contracts** *continued on page 5)*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(**OLS** *continued from page 1*)
riod of recent weeks, the word 'Iraq' appeared on the MoveOn.org home page only in a plug for a documentary released last year…. 'We believe that there are no good options in Iraq', MoveOn.org's executive director, Eli Pariser, told me. 'We won't be taking any position which a large portion of our members disagree with."

This unctuous cowardice is echoed by William Rivers Pitt on the Truthout list serve.

Hilary Clinton is now winning cheers on the NYT's op ed page from the odious Nicolas Kristof for pitching her party into the twenty-first century. At the practical level, HRC's pitchfork work has consisted of rehabbing the Klan's platform on immigration, and joining with Republican senator Rick Santorum, probably the most disgusting lout on Capitol Hill, in resurrecting Tipper Gore's old crusade on moral values in show business.

And Dennis Kucinich, who spent 2004 on assignment by the Democratic Party trying to ensure progressives didn't stray off the reservation has now decided to grab headlines by using committee subpoena power to compel big-name baseball players to testify on steroid use, using leaked grand jury testimony to this low end. Will Kucinich and his colleagues be hauling the club owners into their committee room to belabor them with merciless interrogation on how they connived at the steroid use in order to up the home run count and win back audiences? We doubt it.

If Kucinich is so concerned about the welfare of kids, why doesn't he try to do something about basic health care. The hypocrisy level here is about the same as that of Governor Arnold Schwarzenegger of California grandstanding about junk food at California's public schools while vetoing a bill to educate school coaches about the dangers of steroids and performance-enhancing diet supplements.

Editors
Alexander Cockburn
Jeffrey St. Clair

Business
Becky Grant

Design
Deborah Thomas

Counselor
Ben Sonnenberg

Published twice monthly except August, 22 issues a year:
$40 individuals,
$100 institutions/supporters
$30 student/low-income
CounterPunch.
All rights reserved.
CounterPunch
PO Box 228
Petrolia, CA 95558
1-800-840-3683 (phone)
counterpunch@counterpunch.org
www.counterpunch.org

Safety under Franco

Last issue we ran a letter here by Vicente Navarro, answering Tao Ruspoli's appeal for some sound history about the supposed safety of Spanish citizens in the Franco era. Here's a comment from one CounterPuncher, Agustin Velloso: I read "safety under Franco" and although I like Navarro and I consider him a very good researcher, I think he is right in what he writes but not completely. Safety in general was greater under Franco (except the post-war years) on condition that you were "apolitical" or pro-Franco. It is 100% truth that people did not lock front doors, left the car unlocked, invited foreigners into their houses, picked strangers up for a free ride in the roads (no need even to hitchhike) and so on. These memories – 30 years old – remain as clear in my mind as the day that Franco's political policemen tortured me in the Dirección General de Seguridad. In other words: in a uneducated, poor, folk, typical and traditional Spain, you could live with your salary modestly but unmolested, as far as you were not nationalist, not communist, not gay, not pacifist... etc. Small world Navarro would say, again with good reason, but not everyone is a professor like him, ask the peasant in deep rural Spain.

Regards, Agustin Velloso.

The Choice

Dear Editors, Please consider having someone write an article about these TV commercials that are appearing thanking American workers for working themselves to death by not taking vacations. It's being run by one of those huge theme parks down in Florida, Orlando, I think. The ads are really sick. And the company obviously thinks they are very clever/successful because the second ad came into rotation very shortly after the first one. The first one features a pharmaceutical executive thanking Americans for not taking vacations because he's getting rich selling them anti-depressants. The second, which just started running, drops the pharma line, but is similar in tone...(I think it may feature undertakers, among others.) Anyway, I find these commercials fascinating in their sickness. I love CounterPunch.

Thanks. Jane Birnbaum

Wolfowitz at the Bank

So it's official now: Paul Wolfowitz, neocon extraordinaire and one of the principle instigators of the Iraq war, has been nominated by George Bush to head the World Bank. Key to his appointment, we're told, is his background in Asia, where he was the top US diplomat during the Reagan administration.

So what was Wolfowitz's that record? Here's a bracing summary from Tim Shorrock who covered Wolfowitz when he presided over Asian policy during the Reagan administration, at a time when the United States, in the name of anti-communism, provided military and economic aid to some of the worst tyrants in Asian history.

"Wolfowitz's career is a textbook example of cold war politics that focused for nearly 50 years on the care and feeding of dictators like Suharto, Chun Doo Hwan in South Korea, and Ferdinand Marcos in the Philippines," says Shorrock. "While there were differences in nuance between presidents, these policies remained remarkably consistent from administration to administration. Where Wolfowitz and the Reagan Republicans departed from the Democrats was in their public stance toward these unsavory figures.

"Wolfowitz was (Richard) Holbrooke's immediate successor in the top Asia slot at the State Department, serving there from 1982 to 1986. For the next three years he was U.S. ambassador to Jakarta, and from 1989 to 1993 he was the 'principal civilian responsible for strategy, plans, and policy under Defense Secretary Dick Cheney,' according to his official bi-

(**OLS** *continued on page 6)*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

From PRISP to ICSP: Skullduggery Among the Acronyms

Carry on Spying (or Pay Us Back at a Rate of 2,400 Per Cent)

By David H. Price

My recent CounterPunch exposé ("The CIA's University Spies," Vol. 12, No.1) on the Pat Roberts Intelligence Scholars Program (PRISP) bruised those tender souls in spookworld, also Senator Roberts. After this piece circulated and some press coverage followed, Roberts gave some interviews designed to diminish concerns that something was wrong with secretly placing students on the payrolls of the CIA and other intelligence agencies in American university classrooms.

Senator Roberts' spin was interesting for what it addressed and what it conceded. Roberts dismissed the possibility that the PRISP scholars covertly funded by the CIA would or even *could* compile dossiers on faculty and fellow students. The *Wichita Eagle* reported that, "Roberts noted that legal safeguards against domestic spying are in place that weren't in the 1950s and 1960s, when the anti-Communist fervor of former Sen. Joe McCarthy and FBI chief J. Edgar Hoover created a climate that contributed to agency abuses. Specifically, a 1981 presidential executive order clearly prohibits physical surveillance of American citizens by agencies other than the FBI." This is a remarkable statement. Pat Roberts, Chair of the Senate Intelligence Committee, really does not understand that the U.S. Patriot Act dismantled safeguards preventing domestic surveillance by the CIA and other agencies.

More revealing is that when pressed by reporters, Roberts and sources at CIA did not dispute the likelihood that having undisclosed CIA operatives amongst the ranks of academics could seriously damage the credibility of American academics conducting domestic and foreign research. This blasé attitude concerning the collateral damage of hapless academic bystanders will win Roberts no friends in the academy as the damage from such actions can be widespread.

But beyond Roberts' reassuring words on the propriety of secretly sending intelligence agents to our classrooms, there is a quiet enthusiasm for the first cloned offspring of PRISP. And like its progenitor PRISP, this new program was birthed in an atmosphere of public silence.

In late December congress approved the Intelligence Reform and Terrorism Prevention Act (S. 2845), which established a Director of National Intelligence. The 244-page act granted the new Intelligence Panjandrum many yet-to-be-examined powers, one of which is to oversee a new scholarship program known as the Intelligence Community Scholars Program (ICSP). Though modeled after PRISP, the similarities and differences between these two programs reveal emerging trends not only in intelligence funding, but in the intelligence apparat's new expectations for outcome-based funding in higher education.

The Director of National Intelligence is responsible for determining which specific fields and subjects of study will be funded under ICSP. Like the Roberts Program, the ICSP authorizes directors of various unnamed intelligence agencies, "to enter into contractual agreements with individual" students. But unlike the Roberts Program, these ICSP students receive unspecified levels of funding for up to four-years of university training. Congress specifies that ICSP participants owe two years of intelligence agency work for every year of funded education, with a ceiling of four years of study allowed unless overridden by the Director of National Intelligence.

But unlike previous intelligence-linked scholarship programs, the ICSP does not specifically limit the expenses incurred by participants. But given that the National Security Education Program current authorization of over $40,000 of annual "academic" expenses for students, it is reasonable to assume that the ICSP will likewise allow over $160,000 of expenses over a four-year period.

One reason why intelligence agencies are so interested in recruiting social sciences and area studies students in the early stages of their education addresses the age-old urge for early indoctrination concerning the culture and history they will study. Regardless of such efforts to select and shape these individuals it seems inevitable that at least some will develop more critical attitudes towards these agencies as a result of their education or experiences with these agencies. But suppose a few ICSP students' studies in a university history class lead them to read works like Philip Agee's *Inside the Company* or John Stockwell's *In Search of Enemies* and they decide they made a mistake in enrolling in the ICSP? If so, they will face serious penalties.

The Intelligence Reform and Terrorism Prevention Act states that if ICSP recipients decline to work for their sponsoring intelligence agency upon completing of their education, then the student "shall be liable to the United States for an amount equal to the total amount of the scholarships received…[and], the interest on the amounts of such awards which would be payable if at the time the awards were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States, *multiplied by three*." In other words, spy or have a lousy credit rating for the rest of your life.

Such penalties are routine boilerplate language used in other "payback"-based federal scholarship legislation. But the CIA, NSA, FBI and other intelligence agencies are not like the Department of Education, the NSF, or other mundane federal agencies. After all, CIA lawyers who argue that "water-boarding," intense shaking, *shabah*-posturing, and prolonged-hooding do not constitute illegal torture, might just as easily argue that the "maximum legal prevailing" in-

(**Spook Grants** *continued on page 4)*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

terest rate is that established by the payday loan industry, not to mention ordinary banks levying bounced checks charges at rates that top 800 per cent on an annualized basis.

Thus, the Director of National Intelligence could determine that ICSP drop-outs should be hit with interest penalties of 2,400 per cent. While the NSF or Department of Education has never taken such tactics against drop-out scholarship recipients, the CIA plays for keeps and has an appetite for playing rough with those who don't play along. The threats of Sallie Mae to late-paying grads could seem like child's play when compared with John Negroponte acting as debt collector to disillusioned would-be intelligence dropouts.

But the most significant difference in ICSP and PRISP is that while legislation authorizing PRISP earmarked four million dollars for the pilot program, ICSP's legislation does not disclose anything about the program's funding level, funding source or even the size of the program. The Congressional Budget Office estimates that if the ICSP funded 300 scholarships each year the cost of the program might be about six million dollars a year, totaling $30 million during the 2005-2009 period. But these figures are only estimates by CBO staff and there is nothing in the actual legislation that limits the range of funding for the ICSP. The ICSP can now be funded through the Black Budget at levels to be determined by John Negroponte as he tests the reach and lack of oversight of his panoptic throne.

But the troubling elements of ICSP are those indicating how academia is increasingly being tethered to hidden patrons and clients. If you connect the dots from "non-payback" programs like Fulbright and Title VI to "payback" programs like the National Security Education Program (NSEP), PRISP and then ICSP, the changes in these funding programs suggest directional changes and likely reiterations to come.

While the shift from non-ideological programs like Title VI (or even NSEP to some degree) to intelligence-agency-linked programs indicates an obvious change, the subtle variations between PRISP and ICSP may indicate future funding developments. From this vantage the National Security Education Program (which mandates post-graduate "payback" employment at undesignated agencies, but does not connect students to specific policy or intelligence agencies until after graduation) appears to be an unstable transitional evolutionary form. The transient independence of NSEP students during their studies is not to the liking of intelligence agencies, and PRISP and ICSP take direct steps to tie students to specific agencies increasingly early, also irrevocably. Changes in the evolution of specific "payback" requirements from NSEP to PRISP to ICSP also indicate an escalation in mandatory employment periods. In a budgetary world of zero sum gains, both PRISP and ICSP bring a growth of intelligence-linked scholarships in a time when traditional independent academic funding programs face cutbacks, and these conditions of scarcity will draw students to these "payback" programs.

Both PRISP and ICSP secretly place students employed by intelligence agencies in university classrooms. Both PRISP and ICSP conduct background investigations of students before they are awarded scholarships. Both programs recruit intelligence employees at the front end of the process, but the ICSP legislation adds increased penalties for those who would later reconsider their obligation.

The new spook grants take direct steps to tie students to specific agencies increasingly early, also irrevocably.

While PRISP and ICSP are transforming aspects of higher education without the consent of the universities, many institutions are cultivating closer relations with intelligence agencies. New campus intelligence consortia are forming. Most of these are organizations like the National Academic Consortium for Homeland Security (did they really think we wouldn't call it: NACHoS?) which aligns research and teaching at member institutions with the requirements of Bush's war on terror. But NACHoS is more of a programmatic loyalty marker than it is a key to inner sanctum funding. Member institutions range from Clackamas Community College to MIT. Interestingly, some of the universities that one might suspect would be NACHoS apex institutions (Harvard, Yale, Chicago etc.) are missing from the rolls.

The 251 universities in the consortium (see: www.homelandsecurity.osu.edu) have firmly declared their vague commitment to studying national security issues, antiterrorism, developing new Homeland Security technologies and to "educate and train the people required by governmental and non-governmental organizations, to effectively accomplish international and homeland security roles and responsibilities". While such proclamations may sound like advertisements for a left-handed monkey wrench, they can function as welcome mats or hobo signs for students secretly holding PRISP or ICSP funding as they shop around for spook-friendly campuses.

From one perspective the changes brought by PRISP, ICSP or NACHoS to university campuses are changes of degree, not of kind. There is little new in the purpose of such funding programs other than their sheer nakedness and impatience of intent. Throughout the Cold War federal funding produced hordes of scholars and highly educated functionaries happy, willing and capable of carrying out the desires of state. The number of dissident scholars is easily exaggerated, but the impacts have mattered. As the American intelligence and diplomatic apparats come to increasingly rely on raw ideology over informed intelligence they cannot entrust these tasks to those pursuing independent inquiry. The needs of the Bush Doctrine require pre-loyalty before future analysts can be trained in the arts of "free" inquiry. Establishing these chokeholds on university funding may well be an effective means towards this end. CP

David H. Price is the author of *Threatening Anthropology: McCarthyism and the FBI's Surveillance of Activist Anthropologists,* (Duke University Press, 2004). He can be reached at dprice@stmartin.edu

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(**Contracts** *continued from page 1*)
rations.

Jeff Hueners, the chief operating officer of Chenega, called the company "an American success story that benefits from preferential laws based upon the trust relationship the United States Government has with its indigenous, aboriginal people."

Chenega's success has hinged on the post-911 spending spree. In 2001, Chenega only recorded $42 million in revenues. Last year, Chenega's revenues exceeded $480 million.

One of Chenega's biggest contracts came after the start of the Iraq war when the Pentagon transferred most of its military police to places like Abu Ghraib and other prisons and detention centers in Iraq. This left thousands of open positions for military police at DoD facilities in the US. Strangely, Chenega and Alutiiq, another Alaska Native Corporation, won the contracts to provide security forces for 40 US military installations, ranging from Ft. Bragg to West Point to the Anniston Chemical Weapons Depot in Alabama. The contracts were worth about $500 million. They were awarded to the two Native Corporations on a no bid basis, even though neither corporation had any experience in providing security services. The Pentagon made no public announcement about t he awarding of the contracts.

The deal calls for Chenega and Alutiiq to provide 4,385 private security guards. But neither company will actually provide any workers. Instead, both native firms subcontracted the work out to private security companies. Chenega made a deal with Vance International, the Republican-connected outfit that was founded by Gerald Ford's son-in-law and which provided security for the Bush-Cheney election campaign in 2000. Alutiiq forged a similar deal with Wackenhut Services, the British-owned security corporation.

The Pentagon had originally put the security contracts up for open bidding. Both Wackenhut and Vance had submitted bids, but both were rejected. Then, through the suggestion of the Office of Senator Ted Stevens, the Pentagon decided to award the contracts on a no-bid basis to the two Alaskan Native Corporations, which had already formed their partnerships with Wackenhut and Vance.

"Alutiiq approached us, we got together, and they said, 'We want to do this; we need you to come help us with it,'" explained Jim Long, Wackenhut's CEO. "We split it up 51-49."

The 51-49 relationship is crucial to the deal, since under the Stevens loophole 51 percent of the money from the contract must go to the Native Corporation. It's a great deal for Wackenhut, since as a foreign-owned corporation with a shoddy record at other federal facilities they were unlikely to get any Pentagon contracts.

Wackenhut is a subsidiary of Group 4 Securicor. After 9/11, the company came under scrutiny for its mismanagement of security at several Department of Energy facilities, including serious breaches at the Oak Ridge Nuclear Weapons plant in Tennessee.

As a subcontractor, however, Wackenhut not only avoids competitive bidding, but they also evade scrutiny of their work by the Pentagon. Neither the Pentagon nor the Department of Homeland Security has any legal recourse over the performance of Vance or Wackenhut. That responsibility is reserved for the native corporations.

The Pentagon sees this kind of subcontracting as the wave of the future. An internal Pentagon memo unearthed by the General Accounting Office spoke of "contract security guards as a viable manpower option". It's not hard to see why the Pentagon likes it. They can please powerful senators like Stevens and free up troops for duty in Iraq and Afghanistan. Indeed, Rumsfeld has said that he would like to permanently transfer as many as 320,000 Pentagon positions to private companies.

Many federal employees see this as a kind of union-busting. "It's not complicated what they're doing here", says Anne Wagner, a lawyer with the American Federal Government Employees Union. "They hook up with a corporation like Wackenhut, which runs the entire operation." Wackenhut then hires former soldiers at non-union wages and offers them few or no benefits.

In 2003, the union sued to halt the issuance of these kinds of no-bid deals, but lost when the US Supreme Court refused to hear the case.

The privatized workforce isn't taking home much money, but the corporations certainly are. In 2003 alone the Alaskan native corporations and their subcontractors brought in $12 billion dollars in federal contracts. But little of this money actually makes its way back to Alaskan Natives. In 2004, for example, Chenega Corporation, which brought in nearly half a billion in revenues , only distributed about $1 million to native shareholders and cultural and education programs for natives.

Back on those tribal lands in Alaska, poverty rates remain the highest in the nation and unemployment exceeds 40 percent. Not a single member of one of the Alaskan tribes works on any of the Alutiiq/Wackenhut or Chenega/Vance contracts.

Among other top beneficiaries of these sweetheart deals are two companies with a track record of contract fraud and overbilling: Boeing and Integrated Coast Guard Systems, a joint venture between Lockheed-Martin and Northrop Grumman. Combined, the two weapons giants reaped more than $700 million in no-bid contracts from the Department of Homeland Security, this despite recent audits by the Department's Inspector General, Clark Kent Ervin, which accused both firms of overcharging. Indeed, in the past three years alone, Lockheed and Boeing had been forced to pay more than $250 million in fines for violations of their contracts with the Pentagon.

Integrated Coast Guard Systems was handed the huge contract to install new engines on the Coast Guard's fleet of HH-65 helicopters, a task that the Coast Guard was more than capable of handling on its own more promptly and for much less money. But Lockheed's lobbyists won the

SUBSCRIPTION INFO

Enter/Renew Subscription here:

One year $40 Two yrs $70
($35 email only / $45 email/print)
One year institution/supporters $100
One year student/low income, $30
T-shirts, $17
Please send back issue(s)
_____ ($5/issue)

Name _____

Address _____

City/State/Zip _____

_____

Payment must accompany order, or dial 1-800-840-3683 and renew by credit card. Add $12.50 for Canadian and $17.50 for foreign subscriptions. If you want Counter-Punch emailed to you please supply your email address.
Make checks payable to: **CounterPunch**
Business Office
PO Box 228, Petrolia, CA 95558

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(**Contract** *continued from page 5)*
day and wrested the contract into their subsidiary. Almost immediately things began to go awry. First, the project proposal was delivered more than a month late. And when auditors began to look at the fine print of the proposal they discovered that it was larded with "$123 million worth of goods and services that the Coast Guard did not ask for."

While the auditors raised a red flag, the Coast Guard brass and the honchos at the Department of Homeland Security sped on with the deal, ignoring the warnings of their own inspector general. Of course, any contract with Lockheed should come under special scrutiny given the corporation's ripe record of overbilling, shoddy work and contract fraud. Most recently, Lockheed was cited for providing the Air Force with C-130J transport planes that didn't meet military standards, delaying troop and equipment deployments to Iraq and Afghanistan. Even so, Lockheed made $2.6 billion on the deal and stands to make another $5 billion on the planes.

Kent's report cited Boeing with bilking the new department out of more than $49 million last year on its contract to install bomb detection equipment in the nation's airports. For its part Boeing, which has witnessed several of its executives carted off to federal prison in recent months for illegal lobbying on Pentagon contracts, dismissed Kent's allegation, saying Boeing deserved the money for doing a stellar job. "Nobody thought it could be done and we did it", brayed Boeing spokesman Fernando Vivanco.

Another huge no-bid contract went to scandal-plagued BearingPoint Technologies. The McLean, Virginia-based consulting firm was given a $229 million contract to install a new computer system at the Department of Homeland Security. The contract was awarded only months after the Department of Veterans Affairs dumped a BearingPoint $472 million computer system for its VA hospitals in Florida after it failed a 9-month test.

Bizarrely, BearingPoint executives were paid a $200,000 incentive bonus for keeping the doomed project on schedule. Now, BearingPoint executives find themselves the subject of two investigations. "One deals with allegations involving criminal activity, the other one involves matters of civil litigation, basically involving money", said Jon Wooditch, a spokesman for the Veteran Affair's Department's inspector general.

The IG's initial report into the BearingPoint's hospital computer system discovered "serious deficiencies" in the system and cost overruns averaging $4 million a month. According to VA investigators, key documents related to the award could not be located, ``nor could we determine on what basis VA made the award to BearingPoint over other offers".

Last month, BearingPoint disclosed to its shareholders that it's also the subject of a federal grand jury investigation in California for improprieties on government contracts in that state from 1998. CP

(**OLS** *continued from page 2)*
ography. He has remained tightly linked to Indonesia through his role in the U.S.-Indonesia Society, a private group funded by the largest U.S. investors in Indonesia that, behind the veneer of 'cultural exchanges,' pushes for closer ties with Jakarta. Its past members have also included members of Indonesia's intelligence and military forces.

"During his tenure in the Reagan and Bush administrations, Wolfowitz played a key role in defining U.S. policy toward South Korea and the Philippines at a time of intense repression and growing opposition to authoritarian rule.

"Naming Wolfowitz to run the World Bank is a jab in the eye of global opinion and an insult to Asian countries like South Korea that became democracies in spite of US support for authoritarian rule."

Corries v. Caterpillar

Two years ago on March 16, Rachel Corrie, a 23-year-old activist and CounterPuncher from Evergreen College, was killed while trying to stop the demolition of a Palestinian home by an IDF soldier behind the wheel of a Caterpillar bulldozer. Now comes word from Rachel's mother Cindy that the Corrie family has filed suit with Center for Constitutaionl against Caterpillar Inc. "The brutal death of my daughter should never have happened," says Cindy Corrie. "We believe Caterpillar and the Israeli Defense Forces must be held accountable for their role in the attack." CP

CounterPunch
PO Box 228
Petrolia, CA 95558

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED